



Foro Nicaragüense de Microfinanzas

Inclusión Financiera
para un mayor
desarrollo
económico y
social



2
0 **24 y 25 de Agosto**
1 **Centro de convenciones**
7 **Crown Plaza**



CONAMI
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Foro Nicaragüense
de Microfinanzas



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*“ESTRATEGIAS Y POLÍTICAS DE LOS ÓRGANOS DE GOBIERNO DE LAS INSTITUCIONES DE
MICROFINANZAS QUE IMPULSAN EL DESARROLLO DE LOS SECTORES DE BAJOS INGRESOS”*

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Vicepresidente de MiCrédito S.A



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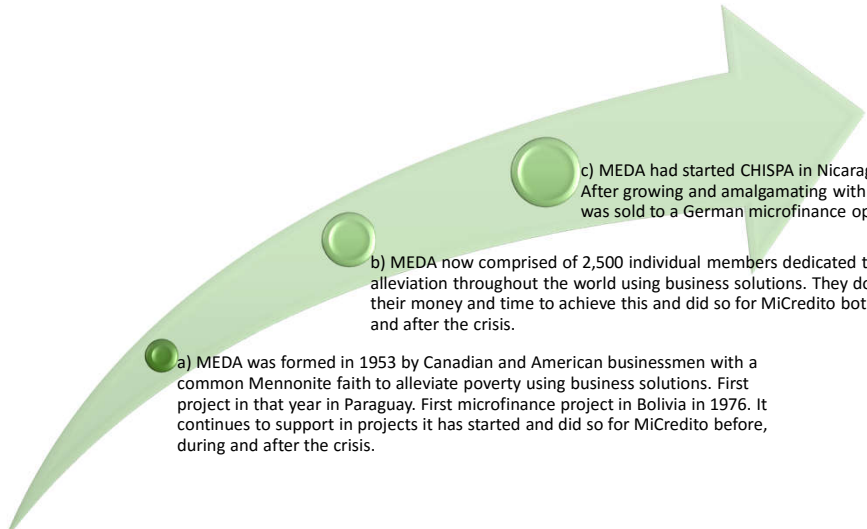


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MEDA (Mennonite Economic Development Association) as the founding partner was a very important factor in survival of MiCrédito.



a) MEDA was formed in 1953 by Canadian and American businessmen with a common Mennonite faith to alleviate poverty using business solutions. First project in that year in Paraguay. First microfinance project in Bolivia in 1976. It continues to support in projects it has started and did so for MiCredito before, during and after the crisis.

b) MEDA now comprised of 2,500 individual members dedicated to poverty alleviation throughout the world using business solutions. They donate and invest their money and time to achieve this and did so for MiCredito both before, during and after the crisis.

c) MEDA had started CHISPA in Nicaragua in 1990 to do microfinance. After growing and amalgamating with others it became CONFIA which was sold to a German microfinance operator in 2002.



Partnering with very dedicated and competent managers from CHISPA (Veronica and Octavio) who approached MEDA in 2003 to restart a new MFI based on the same principles as CHISPA and were willing to invest their own capital to show their commitment to the project and to be long term partners. A change was made in 2009(?) When Veronica became CEO (previously CFO) and was more fully able to use her considerable managerial and motivational talents to implement the policies needed to overcome the challenges facing MiCredito at that critical time.



Strong Board of Directors with good business experience and instincts plus a dedication to poverty alleviation combined with a willingness and ability to invest money into MiCredito.



Competent and dedicated management group who were committed to both poverty alleviation and good business practices and were able to spread that concept to all employees.



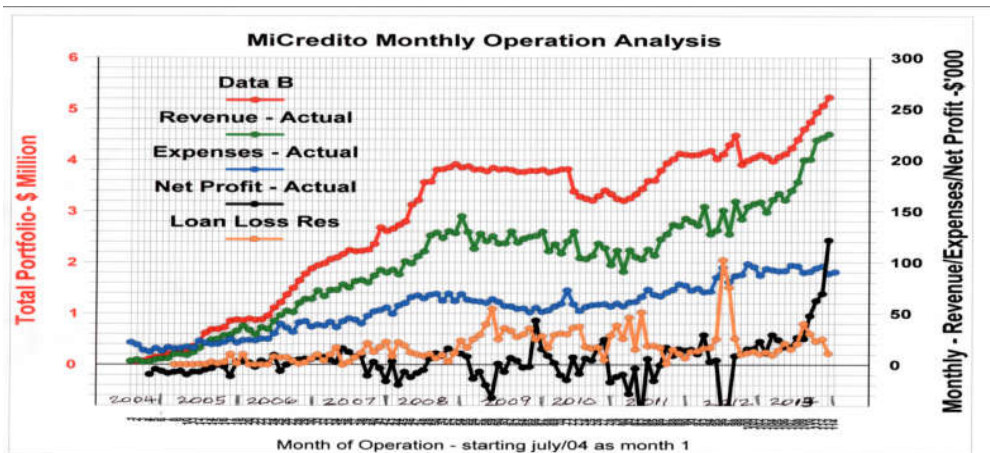
Partnering with good micro-finance funds (like OIKO) who understood and appreciated MiCredito's business plan and remained steadfast supporters through both the good and difficult crisis times.



- ❖ Complete formal comprehensive policy and operational guidelines implemented to guide the activities of all staff members.



- ❖ MiCredito grew rapidly from its start in July, 2004 to 2008 when the financial crisis followed by the No Pago movement hit. Portfolio growth was halted, PAR increased significantly and profitability decreased.

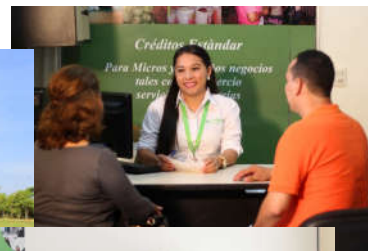




To overcome the crisis the strong management team and employees re-doubled their efforts in growing the portfolio and collecting delinquent loans, MEDA invested more capital, MEDA members invested more capital, OIKO and other MF Funds remained supportive. The result was that MiCredito survived the crisis and by 2010 was again growing rapidly and profitably and continues to do so today.

Other Products

- ❖ Remittances
- ❖ Foreign Exchange
- ❖ Life Insurance
- ❖ Health Care
- ❖ And others



IN COCLUSION ESTRATEGIAS Y POLÍTICAS DE LOS ÓRGANOS DE GOBIERNO DE LAS INSTITUCIONES DE MICROFINANZAS QUE IMPULSAN EL DESARROLLO DE LOS SECTORES DE BAJOS INGRESOS ARE:



1. Strong partners (MEDA)
2. A committed work team
3. Investment in technology
4. A solid heritage structure
5. Board of Directors committed to the mission of the organization and high level of professionalism and understanding of the industry
6. Follow the operation very closely using the internal control structures such as: risk audit, PLA
7. A strategic plan with flexibility so that it can be
8. modified in times of crisis